



MEMORANDUM

Agenda Item No. 8(K) (1)


TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: May 1, 2012

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution amending Implementing
Order 4-4: Port of Miami Terminal
Tariff No. 010 to provide discounts
to shipping lines reaching certain
cargo volumes

The accompanying resolution was prepared by the Port of Miami Department and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.



R. A. Cuevas, Jr.
County Attorney


RAC/up

Memorandum



Date: May 1, 2012

To: Honorable Joe A. Martinez, Chairman
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Resolution Amending Implementing Order 4-4: Terminal Tariff No. 010

RECOMMENDATION

It is recommended that the Board of County Commissioners approve the accompanying resolution amending Implementing Order 4-4. This implementing order establishes the rates, rules and regulations contained in the Terminal Tariff No. 010 ("Tariff").

SCOPE

PortMiami is located within District 5 – Commissioner Bruno A. Barreiro. The impact of this agenda item is countywide as PortMiami is a regional asset and generates employment for residents throughout all of Miami-Dade County.

FISCAL IMPACT/FUNDING SOURCE

It is anticipated that the implementation of this new Tariff item will initially reduce operating revenues by approximately \$1.8 – \$2.0 million per year. PortMiami presently enjoys the patronage of one shipping line which, based on its FY 2011 lifts at PortMiami, would qualify for the incentives provided under the proposed Tariff item. This initial impact in revenue will be offset by operational efficiencies and expense reductions already in place at PortMiami. However, this amount may be further mitigated by additional business generated as a result of the proposed incentive.

TRACK RECORD/MONITOR

PortMiami staff members responsible for monitoring Implementing Order 4-4: Terminal Tariff No. 010 are Juan Kuryla, Deputy Director and Kevin Lynskey, Assistant Director, Business Initiatives.

BACKGROUND

As part of its normal course of business, PortMiami submits recommended Tariff changes for the Board's consideration every September through the County's budget process. However, from time to time proposed Tariff amendments are also brought for Board consideration during the budget year, normally for competitive reasons. The attached proposed Tariff change is designed to retain the current container volumes from the largest of our discretionary cargo customers.

Last June, Maersk Line officials advised PortMiami of their intentions to issue a tender for their container business in South Florida. Maersk's tender was to be offered at multiple ports for a range of services, to include stevedoring and multiple services provided by cargo terminal facilities. PortMiami embarked on a series of meetings and negotiations with Maersk Line in efforts to retain Maersk's existing business in Miami; which accounted for almost 190,000 TEUs (109,000 lifts), \$8 million in annual revenues, and approximately 20% of PortMiami's container volume last fiscal year.

Currently the PortMiami Tariff and its terminal operating agreements contain various discounts for dockage, wharfage and crane rentals. The proposed Tariff item recommends creating an all-inclusive rate structure favored by the shipping industry, which combines dockage, wharfage, and crane per lift rate into a blended rate that rewards high volume customers and promotes additional growth. It is designed to induce existing lines calling at PortMiami to consolidate their existing volumes in the South Atlantic, as well as entice shipping lines not presently calling at PortMiami to

Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners
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move their services. Overall, the below rate structure will afford an approximate 20% discount over existing charges.

0 to 85,000 Lifts	\$72.00 per Lift *
85,001 to 100,000 Lifts	\$60.00 per Lift
100,001 to 115,000 Lifts	\$50.00 per Lift
115,001 Lifts and above	\$40.00 per Lift
New service	\$40.00 per Lift


* Upon reaching lift 85,000, the shipping line shall be entitled to a \$12.00 per lift rebate from its first lift to its 85,000 lift.

This rate concept is similar to what has been implemented by the larger retailers, offering lower prices for greater volume; and will be utilized as a key element in PortMiami's business development strategy to double its volume in the next seven to ten years and move up in the rankings from the eleventh to within the top five container ports in the United States.

Similar rate structures for new and existing business and continuing efforts to enhance its facilities and advance its capital program have played a critical role in PortMiami's growth throughout the past five years. For Fiscal Year 2010-2011, PortMiami posted a 7% increase in container volumes, following a 5% increase during the previous year, further solidifying PortMiami's Number 1 ranking for container ports in the State of Florida.

DELEGATION OF AUTHORITY

In accordance with Section 28.3 of the Miami-Dade County Code related to identifying delegation of the Board authority, there are no authorities beyond that specified in the resolution which include the authority for the Mayor or his designee to execute the Implementing Order.



Deputy Mayor

mayor08312




MEMORANDUM

(Revised)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: May 1, 2012

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8 (K) (1)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(K) (1)
5-1-12

RESOLUTION NO. _____

RESOLUTION AMENDING IMPLEMENTING ORDER 4-4:
PORT OF MIAMI TERMINAL TARIFF NO. 010 TO PROVIDE
DISCOUNTS TO SHIPPING LINES REACHING CERTAIN
CARGO VOLUMES

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the amendments to Implementing Order 4-4: Port of Miami Terminal Tariff No. 010, in substantially the form attached hereto.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Joe A. Martinez, Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Lynda Bell
Esteban L. Bovo, Jr.	Jose "Pepe" Diaz
Sally A. Heyman	Barbara J. Jordan
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of May, 2012. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



Richard Seavey

I.O. NO.: 4-4

Adopted:

Effective:

**IMPLEMENTING ORDER
MIAMI-DADE COUNTY**

PORT OF MIAMI TERMINAL TARIFF NO. 010

SEAPORT DEPARTMENT

AUTHORITY:

The Miami-Dade County Home Rule Amendment Charter, including, among others, Sections 1.01 and 2.02A

SUPERSEDES:

This Implementing Order supersedes prior Implementing Orders and revisions to Port of Miami Terminal Tariff No. 010 as it relates to those items specified in the attached Tariff pages. Any items not expressly superseded herein remain in effect.

POLICY:

Port of Miami Terminal Tariff No. 010 shall be established providing for the rates, rules and regulations for the Seaport facilities of Miami-Dade County, Florida.

PROCEDURE:

The Director of the Dante B. Fascell Port of Miami-Dade (Port of Miami) is responsible for the operation and management of the Port of Miami, including establishing rates and fees for usage of Port facilities and collection of same. Reviews and revisions of rates and fees will occur on an annual basis with recommendations for changes forwarded to the County Mayor.

TARIFF:

The Tariff items adopted by this Implementing Order have been presented and are considered a part hereof. In accordance with Section 2.3 of the Code of Miami-Dade County, these official Tariff items are also filed with the Clerk of the Board of County Commissioners. Items, which are charged by the Port of Miami, shall be the same as those listed in the official Port of Miami Terminal Tariff No. 010 on file with the Clerk of the County Commission.

This Implementing Order is hereby submitted to the Board of County Commissioners of Miami-Dade County, Florida.

County Mayor

Approved by the County Attorney as
to form and legal sufficiency _____

NO. 010

ORIGINAL

PAGE 9A-1 (2 pgs)

SECTION TWO
GENERAL RULES & REGULATIONS

FMC SUBRULE: 34-A03

EFFECTIVE:

FOR EXPLANATION OF SYMBOLS, SEE PAGE 0-A (AFTER TITLE PAGE)

Volume Discounts

At the request by a shipping line, any third-party terminal operator ("operator") shall extend an all inclusive container rate to any existing shipping line that produced more than 85,000 container moves during the Port's previous fiscal year. The all inclusive container rate (hereinafter referred to as "Port Throughput Charge") shall substitute for the existing dockage, wharfage, and crane rental charges (regular and overtime) being paid by the shipping line, whether through the Tariff or under the terms of a terminal operating agreement.

The below lift rates, which shall be paid by the terminal operator to the Port on behalf of the shipping line, include Port dockage, wharfage and crane rental rates (regular and overtime) inclusive of start up and tear down charges.

Port Throughput Charge:

<u>0 to 85,000 Lifts</u>	<u>\$72.00 per Lift *</u>
<u>85,001 to 100,000 Lifts</u>	<u>\$60.00 per Lift</u>
<u>100,001 to 115,000 Lifts</u>	<u>\$50.00 per Lift</u>
<u>115,001 Lifts and above</u>	<u>\$40.00 per Lift</u>
<u>New service</u>	<u>\$40.00 per Lift **</u>

* Upon reaching lift 85,000, the shipping line shall be entitled to a \$12.00 per lift rebate from its first lift to its 85,000 lift. In this instance, the rebate shall be issued directly by the Port to the shipping line. There shall be no retroactive rebate to a shipping line if the higher throughput thresholds over 85,001 TEUs are met. Also upon the shipping line reaching lift 85,000, the Port will reimburse the operator(s) \$2.00 per lift from the first lift by the shipping line for their respective moves handled.

In the case that the above rates are applied to a shipping line whose containers are shipped to the Port by a shipping line that does not qualify for the above volume discount, the Port will pro-rate any applicable dockage or crane rental charges to the non-qualifying shipping line to account for the charges for TEUs made pursuant to the volume discounts above.

Such volume throughput shall be counted from the beginning of each Fiscal Year (October 1 – September 30) for the Port of Miami (tiers resetting every 12 months).

**New Service

New service container volumes qualifying for the \$40 container rate will not count

ITEM

PAYMENT
OF BILLS
(I)

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ISSUED BY

MIAMI-DADE COUNTY SEAPORT DEPARTMENT

NO. 010

ORIGINAL

PAGE 9A-1 (2 pgs)

SECTION TWO
GENERAL RULES & REGULATIONS

FMC SUBRULE: 34-A03

EFFECTIVE:

FOR EXPLANATION OF SYMBOLS, SEE PAGE 0-A (AFTER TITLE PAGE)

toward the calculation of the Volume Discount. However, a line may elect to forego the \$40 New Service rate at the time the service is introduced, thereby allowing the throughput to count toward the Volume Discount. New Service shall cease being deemed New Service as of September 30, 2014, and the volume discount for any New Service shall not extend beyond September 30, 2014.

Definitions:

Lift(s): Any container, laden or empty, loaded onto or discharged from a vessel or barge in the Port of Miami, save that transshipments will only count as one (1) Lift and shall be assessed only one (1) Port Throughput Charge. Shiftings and restow moves are excluded.

Fiscal Year(s): Any twelve (12) month period from October 1st to September 30th of the following year.

New Service: Any new vessel line service calling at the Port introduced by a shipping line which exceeds 85,000 TEU moves after the date of this Tariff publication.

Eligibility:

Only individual shipping lines that produce more than 85,000 moves in a Fiscal Year shall qualify for this Volume Discount program.

The total volume in the Port of an individual shipping line shall include any such shipping line's container moves performed in the Port of Miami, in one or more container terminals, on its own vessels or any other vessel or barge operated by another ocean carrier or barge operator through a vessel sharing or slot charter agreement.

However, if individual shipping lines participate in consortia or vessel sharing agreements with other shipping lines, individual shipping lines shall not be able to include the containers subject to a contract of carriage issued by their partners when calculating their eligibility under this Volume Discount program.

The above rates may vary for lines entering into agreements with the County, whereby the line(s) guarantee an annual minimum throughput commitment.

ISSUED BY

MIAMI-DADE COUNTY SEAPORT DEPARTMENT